
APPROVED:**DATE:**

Procedure 5-03 Beginning An Audit

Purpose: To ensure compliance with GAS standards to communicate information about a performance audit.

Section 1: JOB START LETTER (Milestone #M-03)

Purpose

To inform auditee management that the City Auditor's Office is initiating an audit of the department, agency, or program.

Background

The job start letter should:

- A. Refer to the current City Auditor workplan indicating the authorization to initiate the audit.
- B. Request information regarding the auditee organization, including:
 - 1. An organization chart and/or listing of key program personnel;
 - 2. Program brochures or descriptions which provide some background information and a history of the programs;
 - 3. Copy of the program's written procedures;
 - 4. Management reports, financial reports, and budget information on the program for the past three years; and
 - 5. Memorandum summarizing any Program accomplishments.
- C. Schedule the entrance conference (See Section 2, this procedure)

Procedure

Audit Staff	1. Prepare the job start letter (See Form No. 5-04B).
Supervising Auditor	2. Review the job start letter.
City Auditor	3. Sign the job start letter.
Audit Staff	4. File a copy of the job start letter in the audit workpapers. 5. Follow up with the auditee to make sure that the information requested is provided.

Section 2: ENTRANCE CONFERENCE Milestone #M-05

Purpose

To conduct an audit entrance conference with auditee and City Manager representatives to discuss the audit scope, objectives, and audit fieldwork arrangements.

Background

The audit entrance conference serves as the formal kick-off of the audit. During the entrance conference, the City Auditor will normally outline the audit scope, objectives, and process. The background and the expected benefits of the audit will also be discussed, as well as any special audit fieldwork arrangements.

Procedure

Executive Assistant to the City Auditor	1. Contact auditee representatives and the City Manager's Office to schedule the entrance conference.
Audit Staff	2. Include the entrance conference location and schedule in the Job Start Letter (see Form No. 5-04B).).
City Auditor, Supervising Auditor, Audit Staff, Auditee Representatives, City Manager's Office Representative	3. Conduct the audit entrance conference.
Audit Staff	4. Make sure that each entrance conference participant is listed in the attendance sheet, including title, department, and phone number. 5. Prepare a workpaper summarizing the discussions during the entrance conference. 6. File the attendance sheet and the entrance conference summary in the audit workpapers.

Section 3: AUDIT OBJECTIVES MEMORANDUM (Milestone #06

Purpose

To inform the auditee regarding the audit scope and objectives.

Background

The **Memorandum of Audit Scope and Objectives** (See Example No. [5-04D](#)) ensures a mutual understanding of the audit objectives and scope with the auditee and City management.

Procedure

Audit Staff	7. Prepare an audit objectives memorandum (See Example No. 5-04D) explaining the audit scope and objectives.
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City Auditor	8. Review and sign the audit scope and objectives memorandum.
Executive Assistant to City Auditor	9. Distribute the audit scope and objectives memorandum and provide a copy to the audit staff.
Audit Staff	10. File the audit scope and objectives memorandum in the audit workpapers.

Section 4: LETTERS TO THE MAYOR AND THE CITY COUNCIL (Milestone #M-04)

Purpose

To inform the Mayor and the members of the City Council that the City Auditor's Office is initiating an audit of the department, agency, or program and to determine if they have any interests and concerns about the audit subject.

Background

This inquiry is preparatory to the City Auditor's Office designing the scope of the audit and is intended to ensure that the audit will be responsive to their needs.

Procedure

Audit Staff	6. Prepare the letters to the Mayor and the City Council members (See Procedure No. 5-04E).
City Auditor	7. Review and sign the letters.
Audit Staff	8. Within resource constraints, include areas of interest to the Mayor or the members of the City Council.
City Auditor	9. Discuss with requesting individuals any areas of indicated interest not included in the audit plan.